
EXHIBIT F16

SEWAGE TREATMENT AGREEMENT, DATED MARCH 2, 2004,
BY AND BETWEEN EAST WHITELAND TOWNSHIP, EAST
GOSHEN TOWNSHIP, AND MALVERN INSTITUTE FOR
PSYCHIATRIC & ALCOHOLIC STUDIES



BUCKLEY, NAGLE, BRION, MCGUIRE,
MORRIS & SOMMER LLP

April 13, 2004

KRISTIN S. CAMP
484.879.2000 EXT 203
484.879.2009 FAX
kcamp@buckleynagle.com

Terry Woodman, Manager
EAST WHITELAND TOWNSHIP
209 Conestoga Road
Frazer, PA 19355

Louis F. Smith, Manager
EAST GOSHEN TOWNSHIP
1580 Paoli Pike
West Chester, PA 19380

Re: Sewage Treatment Agreement for Malvern Institute

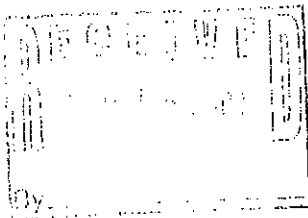
Dear Terry and Rick:

Enclosed please find the original of the above-referenced Agreement which was recorded with the Recorder of Deeds. I wanted you to have a copy of the same.

Very truly yours,


Kristin S. Camp

KSC/nms
Enclosure



\\Buckley-fs1\docs\KRISTIN\Malvern Institute\Smith and Woodman ltr - 04.12.04.wpd

SEWAGE TREATMENT AGREEMENT

THIS SEWAGE TREATMENT AGREEMENT (the "Sewage Agreement"), is made this 2nd day of March, 2004, by and between EAST WHITELAND TOWNSHIP (hereinafter "East Whiteland"), a township of the Second Class located in Chester County, Pennsylvania, EAST GOSHEN TOWNSHIP (hereinafter "East Goshen"), a township of the Second Class located in Chester County, Pennsylvania and MALVERN INSTITUTE FOR PSYCHIATRIC & ALCOHOLIC STUDIES, with an address of 940 West King Road, Malvern, Pennsylvania 19355 ("Malvern Institute").

BACKGROUND:

WHEREAS, East Whiteland owns and operates a sanitary sewage system (the "System") which collects, treats and disposes of domestic waste from various properties in East Whiteland; and

WHEREAS, East Whiteland has undertaken a project to expand the existing System to locate a sanitary sewer line and sewer pumping station (the "Pumping Station") together with accessories and appurtenances, on land owned by Malvern Institute, which property is located at 940 West King Road in East Goshen Township, Chester County, Pennsylvania and is more particularly referred to as UPI Numbers 53-2-18 and 54-2-127 (the "Property"); and

WHEREAS, East Whiteland and Malvern Institute have entered into an Easement Agreement (the "Easement Agreement") dated September 16, 2003, which Easement Agreement was recorded in the Chester County Recorder of Deeds on January 8, 2004 in Book 6033, Page 577; and

WHEREAS, in the Easement Agreement, Malvern Institute granted and conveyed to East Whiteland a 50 foot by 50 foot permanent sewer easement across the Property to allow East Whiteland to construct the sanitary sewer line, Pumping Station and accessories and appurtenances on the Property; and

WHEREAS, East Whiteland, in consideration of the Easement Agreement, has agreed to pay all costs associated with connecting the existing main house (the "Building") on the Property to the Pumping Station and to pay any and all fees due East Goshen as a result of such connection; and

WHEREAS, Malvern Institute shall be responsible for the maintenance of the sewer lateral which leads from the Building on the Property to the Pumping Station; and

WHEREAS, the parties hereto intend to set forth the terms and conditions upon which sewage from the Property will be collected and conveyed through the East Whiteland System and transported to the Valley Forge Wastewater Treatment Plant for ultimate disposal and treatment;

NOW THEREFORE, the parties hereto, intending to be legally bound and each representing that it has proper legal authority to enter into this Sewage Agreement, do mutually represent, covenant and agree as follows:

1. Malvern Institute has granted East Whiteland a sewer easement over a portion of the Property in order to install the Pumping Station. The location of the Pumping Station is more particularly described by metes and bounds in the Easement Agreement which is incorporated herein by reference.

2. In consideration of the grant of the sewer easement across the Property, East Whiteland shall permit Malvern Institute to connect the Building on the Property to the

Pumping Station to be built by East Whiteland on the Property. The sewage waste emanating from the Building on the Property which shall connect to the Pumping Station shall be collected and transported through the East Whiteland System for ultimate treatment at the Valley Forge Wastewater Treatment Plant (the "Plant"). East Whiteland represents that it has sufficient capacity at the Plant in order to treat the sewage emanating from the Building.

3. East Whiteland shall pay for all costs incurred in designing, constructing, installing and testing the sanitary sewer lines, Pumping Station and accessories and appurtenances to be built on the Property. East Whiteland shall obtain all necessary permits for the construction of the sanitary sewer lines, Pumping Station, and accessories and appurtenances and extension of the System. East Goshen shall cooperate with East Whiteland in obtaining such permits as expeditiously as possible.

4. East Whiteland shall be responsible for the construction, installation, maintenance, repair and replacement of all portions of the East Whiteland System, including the sanitary sewer lines, Pumping Station and accessories and appurtenances that are installed on the Property to provide sewer service to the existing buildings on the Property, except as provided in paragraph 5 below.

5. Malvern Institute shall be responsible for the maintenance, repair and replacement of the sewer lateral that extends from the Building on the Property to the Pumping Station.

6. East Goshen Township shall have no responsibility or obligation to maintain any part of the East Whiteland System, the Pumping Station or the sewer laterals that connect the Building on the Property to the Pumping Station.



7. East Goshen represents that it currently has in full force and effect sewer regulations which are codified in Chapter 188 of the East Goshen Township Code, which regulations establish quarterly sewer rates for properties in East Goshen that are connected to the East Goshen sewer system and which regulate the materials which may be discharged into the East Goshen Township sewer system. East Goshen represents that it will enforce such regulations against the owner of the Malvern Institute Property and that such regulations shall prohibit any discharge into the Pumping Station other than domestic waste. East Goshen shall enforce its regulations in accordance with the existing sewer ordinance, and any amendments that are enacted thereto. East Goshen shall at all times keep on file with East Whiteland its current and up to date resolutions, rules, regulations and ordinances relating to the content or components of domestic waste.

8. Every quarter, East Whiteland shall bill East Goshen for costs incurred by East Whiteland in providing sewer service to the Property based on the sanitary sewer rate schedule as adopted by the East Whiteland Township Board of Supervisors, as the same may be amended from time to time. East Goshen shall pay the East Whiteland bill within thirty (30) days of delivery of the bill.

9. East Goshen shall bill the owner of the Malvern Institute Property in accordance with the sanitary sewer rate schedule as adopted by the East Goshen Township Board of Supervisors, as the same may be amended from time to time.

10. Malvern Institute agrees to be bound by Chapter 188 of the East Goshen Code as the same may be amended from time to time. Malvern Institute further agrees to pay the quarterly sewer rate for industrial users (which is based on water usage as

determined by meter readings) as adopted by the East Goshen Township Board of Supervisors, as the same may be amended from time to time.

11. It is agreed that all covenants, duties, rights, obligations, benefits and advantages of the parties hereto shall be binding upon and inure to the benefit of the parties' successors and assigns.

12. Should East Whiteland at any future time transfer the East Whiteland System to a municipal authority or other governmental entity, whether by lease, deed or otherwise, or merge or join with another authority, municipal or quasi-municipal body of the Commonwealth of Pennsylvania, then this Agreement should be considered without any further act or deed by either of the parties hereto, assigned to the responsive municipal body and the respective assignee shall be subject to all of the obligations and shall be entitled to receive all of the rights and benefits of this Agreement.

13. This writing constitutes the entire agreement between the parties and there are no other representations or agreements, oral or written, other than those contained herein. All prior negotiations and agreements between the parties are merged into this Agreement and there are no promises, agreements, conditions, undertakings, warranties or representations oral or written, express or implied between them other than as set forth herein.

14. This Agreement may be modified, amended or supplemented only by the written agreement of all the parties hereto.

15. In the event that the Department of Environmental Protection or any other regulatory body or governmental agency shall fail or refuse to issue any permits which may be necessary to accomplish the intent and purpose of this Agreement, then the parties

hereto shall be relieved from further compliance with the terms of this Agreement, until such time when such permit or permits shall be issued; and then this Agreement shall become fully operative and the parties hereunder shall be bound by all the terms hereof.

16. Should any one or more of the provisions of this Agreement for any reason be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement and the remainder of this Agreement shall, in such circumstances, be construed and enforced as if such illegal, invalid or unenforceable provision had not been contained herein.

17. This Agreement may be executed in any number of counterparts, each of which shall be properly executed by the parties hereto and all of which shall be regarded for all purposes as one original and all of which shall constitute and be but one and the same.

18. Whenever a notice is required to be given in writing by mail, the following addresses shall be used unless a different address is specifically called for:

If to East Whiteland:

Attention: Manager
East Whiteland Township
209 Conestoga Road
Frazer, PA 19355-1699

If to East Goshen:

Attention: Manager
East Goshen Township
1580 Paoli Pike
West Chester, PA 19380

If to the Malvern Institute:

Attention: Administrator/CEO
940 West King Road
Malvern, PA 19355

19. This Agreement shall be recorded in the Office of the Recorder of Deeds for



20. In the event East Goshen extends the East Goshen Sewer System such that public sewer provided by East Goshen is within 150 feet of the Property, Malvern Institute shall connect to the East Goshen Sewer System and from thereafter the sewage waste emanating from the Building on the Property shall be collected, treated and disposed of by East Goshen, not East Whiteland.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and their respective corporate seals affixed the day and year first above written.

ATTEST:

Marcus G. Peni

EAST WHITELAND TOWNSHIP

BY: *P. Joseph Corrigan*
P. Joseph Corrigan
Chairman, Board of Supervisors

ATTEST:

E. Martin Shane

EAST GOSHEN TOWNSHIP

BY: *E. Martin Shane*
E. Martin Shane
Chairman, Board of Supervisors

ATTEST:

Richard Mangano

MALVERN INSTITUTE
FOR PSYCHIATRIC & ALCOHOLIC
STUDIES


BY: *Richard Mangano*
Richard Mangano
Administrator/CEO



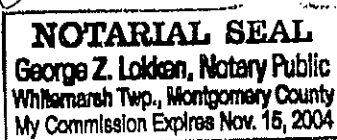
COMMONWEALTH OF PENNSYLVANIA :
SS
COUNTY OF CHESTER :

On this 12th day of March, 2004, before me, the undersigned officer, personally appeared P. Joseph Corrigan and Maureen Perri, who acknowledged themselves to be the Chairman and Secretary, respectively, of the Board of Supervisors of East Whiteland Township, and that they, as such Chairman and Secretary, being authorized to do so, executed the foregoing instrument, for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:



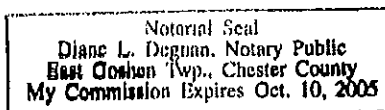
COMMONWEALTH OF PENNSYLVANIA :
SS
COUNTY OF CHESTER :

On this 2nd day of March, 2004, before me, the undersigned officer, personally appeared E. Martin Shane and Louis F. Smith, Jr., who acknowledged themselves to be the Chairman and Secretary, respectively, of the Board of Supervisors of East Goshen Township, and that they, as such Chairman and Secretary, being authorized to do so, executed the foregoing instrument, for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.


Notary Public

My Commission Expires:



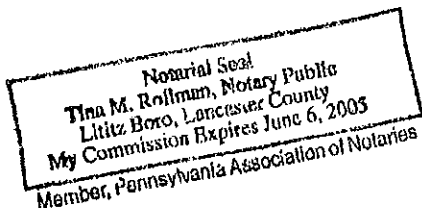
COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF Chester

On this, the 12 day of March, 2004, before me, the undersigned officer, personally appeared Richard Mangano, who acknowledged himself to be the CEO of Malvern Institute for Psychiatric & Alcoholic Studies, and that he being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



A handwritten signature in cursive script that reads "Tina M. Rollman".

NOTARY PUBLIC

MY COMMISSION EXPIRES:



BUCKLEY NAGLE BRION ..

03/18/2004 03:30P

10390861

Page: 9 of 9

B-6094 P-1899